

Gallagher client advisory

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Changes to the Earthquake Commission cover

With the introduction of the Natural Hazards Act on 1 July 2024, the Earthquake Commission will be renamed the Natural Hazards Commission Toka Tū Ake.

The name change better represents the role of the organisation in delivering insurance and expertise to help New Zealanders to prepare for, and recover from a range of natural hazards, not only earthquakes. As a result, the insurance scheme will be known as NHCover rather than EQCover.

What does this mean for your Natural Hazards Insurance (NHI)?

The NHCover will remain largely the same as under EQCover and the levy will stay unchanged at \$480 for cover up to \$300,000 for each domestic dwelling.

The main changes will be:

- Retaining walls, bridges or culverts will have limited cover in the event of a claim.
- An excess of \$500 per dwelling is payable for residential building and land claims.
- Detailed definitions of natural hazards will be included.

These changes will affect house insurance or other policies that provide cover for residential units, including bodies corporate and retirement villages.

You'll also see references to the new Natural Hazards Commission and NHI levy on your insurances in future.

What is the impact on claims?

- The new Act will apply to claims for natural hazard damage to residential buildings or land that occurs on or after 1 July 2024.
- EQCover claims can still be lodged for damage that occurred before 1 July 2024 and the relevant EQC Act entitlements will apply.

How Gallagher can help

If you have any questions about the Natural Hazards Insurance cover or want to understand the impact on your specific situation, please contact your Gallagher broker.

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